

BUDGET WAYS & MEANS COMMITTEE
MONDAY, MAY 11, 2020 5:30 P.M.
CITY HALL COUNCIL CHAMBERS

This meeting was conducted by video conferencing due to CDC recommendations in response to COVID-19

MEMBERS PRESENT via VIDEO CONFERENCING: Darren Collier, Alan Snow, Juan Topete and Ray West.

OTHERS PRESENT via VIDEO CONFERENCING: City Administrator Tom Short and City Clerk Traci Cox.

Mr. Snow called the meeting to order at 5:30 P.M.

***NOTE:** All areas *“italic”* below were submitted to the Committee in a pre-meeting memo by Mr. Short.

OLD BUSINESS:

1. **Consideration and approval of minutes from previous meeting.**

Mr. Topete made a motion to approve the minutes of the April 6 Budget meeting.
Motion carried 4-0.

NEW BUSINESS

1. **Consider and discuss Audit engagement letter with KPM for annual audit.**

“Included is a copy of the audit engagement letter for fiscal 2020. KPM confirms their understanding of the services to be provide to the City of Carthage, Missouri, for the year ended June 30, 2020. They will audit the financial statements of the governmental activities, the business-type activities, and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Carthage, Missouri, as of and for the year ended June 30, 2020. They will also audit the financial statements of the discretely presented component unit as of and for the year ended April 30, 2020. The Committee is being asked to recommend a Resolution authorizing the Mayor to sign the Engagement Letter.”

Mr. Short discussed the engagement letter which includes an increase of \$400 for audit services. Mr. Topete moved to recommend to council a Resolution authorizing the Mayor to sign the Engagement Letter. Motion carried.

2. **Consider and discuss Draft Budget Calendar for fiscal 2021.**

“Included is a Draft revised budget calendar for fiscal 2021. As was reported previously, the City Council decided to pause the budget process for the Fiscal Year 2021 budget because of events involving the City’s Coronavirus Emergency Declaration and the Governor’s Stay Home Order in relation to the COVID 19 emergency, until at least the end of the fiscal year or until things return to some sense of normalcy. The Council determined that proactive measures were necessary to prevent death or injury of persons,

to protect the public peace, safety and welfare, and alleviate damage, loss, hardship or suffering during this emergency. Additionally, the full economic impact of these decisions/policies have yet to be seen, but will inevitably materialize. This is one of the reasons why we think starting the process after the normal first quarter may enable us to get a better handle on the economic impact and make adjustments accordingly if needed. We will present several scenarios for planning purposes. Include is a prior spreadsheet sent to the Committee with various scenarios. We'll go into a little bit more of the specifics of the calendar at the meeting. Just an FYI, from the Missouri Times May 7, 2020; Amid the global COVID-19 pandemic, Missouri legislators came back to the Capitol with a focus on passing the state budget before May 8. Sen. Dan Hegeman, chair of the Appropriations Committee, said the goal was to cut about \$700 million in the budget, which the House did. The Senate was able to cut an additional \$10 million from the budget in committee, he said."

Mr. Snow reviewed the revised budget calendar with the committee. Mr. Short explained everything has been postponed one quarter to allow staff to refine revenue estimates due to the unknown financial impact of the pandemic. Mr. Collier moved to accept the draft budget calendar as presented.

3. Staff Reports.

*"**Sales Tax Numbers:** May's receipts for the General Fund's 1% Sales Tax indicated an increase over last May's receipts of \$11,369. This was an increase of 6.77%, and essentially erased last month's negative number. Year-to-date numbers indicate an increase of 0.48% over last year-to-date for the same time period. With one month left in the fiscal year for Sales Tax receipts, we expect we'll make budget and possibly exceed it by a few thousand dollars. The Sales Tax Report is included. Because of the lag in reporting, we know that the numbers to-date include some "panic" buying due to perceived shortages of various commodities during the pandemic. We expected an uptick in Sales Taxes due to the perceived shortages of various commodities during the pandemic and think this will continue for at least the month of June's receipts. After that, we're still reviewing reports to determine our future projections. We are still concerned with the financial impact of the COVID-19 pandemic. **Budget statements** for April 2020 are included in the packet. These include the **Summary** Statement for all funds and the detail for the **General** fund, **Golf** and **Public Health** Fund. April represents the 83% level of the budget year. On the revenue side, several funds are below this level. We'll go into a little more detail about these at the meeting. **Investment Report:** the investment report for April is also included in the packet. We'll go over this report at the meeting too. I've included some wording for **contracts** the City may execute with Agencies regarding plans, performance, and compensations. This basically arose from the Committee on Insurance, Audits & Claims regarding the CVB Contract and personnel changes it was undergoing a few months ago. **Previous Budget Correspondence;** for informational purposes, I've included some previous correspondence about the fiscal 21 budget that was previously sent to the Committee and the Council regarding the economic impact of the COVID-19 virus."*

Mr. Short reviewed the sales tax revenues which are up, possibly due to panic buying

attributed to the pandemic. Sales tax revenues following the 2008-2009 recession are being used for guidance in future revenue estimates. In reviewing the budget statements, Mr. Short stated a supplemental appropriation may be necessary for the Golf Course Fund. Interest revenues have decreased and will need to be adjusted in the next fiscal year.

4 Other Business. None

ADJOURNMENT: The meeting adjourned at 6:00 P.M. on motion by Mr. Collier.

Respectfully submitted,
Traci Cox